



## **City of Gustavus**

PO Box 1, Gustavus, Alaska 99826

Phone: (907) 697-2451

<https://cms.gustavus-ak.gov/>

### **INFORMATION FOR NEW MERCHANTS**

**Sales Tax Rate 3% - Room Tax Rate 4% - Fish Box Tax \$10/box**

**CONGRATULATIONS** on your new business venture in the City of Gustavus. This brief outline will acquaint you with your obligations under the tax ordinance.

#### **WHO MUST REGISTER? (COG Ordinance 4.14.150, 4.15.150)**

Any person, firm, or business entity must register with the City Treasurer before making sales, rendering services, or making rentals within the City of Gustavus.

**RETAIL SALE:** Any sale of real or tangible personal property including barter, credit, installment, and conditional sales for any purpose other than resale in the regular course of business. The delivery of goods in the city by a seller whose principal place of business is outside the city to a buyer or consumer is a retail sale made within the city if such retailer maintains any office, distribution, or sales house, warehouse or any other place of business, or solicits business or received orders through any agent, salesman, or other type of representation within the city.

**SERVICES:** All services of every manner and description that are performed or furnished for consideration whether in conjunction with the sale of goods or not, but does not include services rendered by an employee to an employer. All retail services by a seller within the city to be provided or performed in whole or in part within the city, or utilize city infrastructure regardless of the buyer's place of residence, or buyer's physical location upon acceptance of the offer, or exchange of consideration.

**RENTALS SUBJECT TO ROOM TAX:** The tax shall apply to all rentals where the guest indicated that the room, or rooms, will be occupied by the guest for less than thirty (30) days. Rentals which are less than thirty (30) consecutive days shall be subject to the room tax even if the room or rooms were originally taken with the intent to use or occupy for thirty (30) or more consecutive days. Any unpaid tax shall be due and payable when the guest ceases to occupy or use space in the hotel/motel.

**RENTALS SUBJECT TO RETAIL TAX:** Any rental other than that which would be taxable under Chapter 4.14 Room Tax, except as exempted.

#### **YOU HAVE NOW ACCEPTED THE RESPONSIBILITY TO COLLECT THE TAX:**

All merchants are required to collect sales tax, at the time of purchase, at the rate of 3% on all sales of goods, all services, and all non-residential rentals. (Rentals include commercial real property and tangible personal property.)

All merchants are required to collect room tax on all room rentals (stays of less than 30 days duration). This means hotel/motel/bed & breakfast/AirBnB/cabin rooms are taxed at the rate of 4%.

Under the tax ordinance, there are exemptions from the sales tax and room tax. It is the responsibility of the "buyer" to provide proper documentation to the merchant that the sale is exempt from the sales tax. It is the merchant's responsibility to document the exempt transaction. Please refer to City of Gustavus Ordinance Chapter 4, Sections 4.15.010-4.15.210 for definitions and exemptions for Sales Tax and to Sections 4.14.010-4.14.210 for definitions and exemptions for Room Tax. The scope of the tax levied shall be broadly interpreted and exceptions shall only be allowed when the rental, sales, or service clearly falls within an exemption defined in these chapters.

#### **City of Gustavus Ordinance 4.16.030 - Imposition of fish box flat-rate tax.**

- (a) There shall be levied a flat-rate fish box tax of ten dollars (\$10.00) per fish box leaving Gustavus, Alaska, containing packaged fish and/or seafood caught or taken and retained as part of a fish charter.
- (b) The sticker attesting to the payment of the fish box flat-rate tax shall be affixed to one (1) of the small ends of each fish box leaving Gustavus, Alaska.

Every seller or processor shall purchase city-authorized fish box stickers from city hall. Stickers are non-transferrable. Stickers may be refunded at City Hall by the end of each calendar year (December 31). No refunds will be issued for previous calendar years.

## **REPORTING REQUIREMENTS (COG Ordinance 4.14.070, 4.15.070)**

Filing of Tax Returns and Payment of Tax - Every seller of goods or provider of services or rentals must file a return for each reporting period, regardless of the level of sales or the amount of tax due.

The return forms are available on the City of Gustavus website or at City Hall. Merchants should obtain proper forms in ample time to report and remit within the time prescribed by the tax ordinances.

Report is Required - Even if your business has not transacted any business, made any sales or received any business income, you are still required to file a timely tax report.

Returns Due - Quarterly tax reports are due the last day of the month following the end of each calendar quarter. If the last day of the month falls on a weekend or holiday, the deadline is extended to the next business day.

Late Payment Penalty - A late payment penalty of 5% per month or any fraction thereof shall be assessed on the unpaid tax balance up to a maximum of 25%.

Interest - Interest accrues on the unpaid tax balance at an annual rate of 12% (1.25% per month or any fraction thereof).

Seller's Compensation Discount - All operators and persons rendering tax returns to the city shall be allowed to compensate themselves for costs incurred in collection, record keeping, remittance, and accounting for the tax imposed by taking two (2) percent of the tax due as a tax collection discount to reduce the tax to be remitted on any timely filed and fully paid return. The deduction may not exceed one hundred dollars (\$100.00) for any reporting period and may not be taken if any tax, penalty, or interest is due for any previous reporting period.

## **RECORD KEEPING AND AUDITING (COG Ordinance 4.14.090, 4.15.090)**

Each operator within the city shall maintain and keep for a period of three (3) years all of the monthly sales tax reports, forms, supporting records, and other records prescribed by the city. The failure to maintain adequate records to allow documentation of the taxability of each transaction will result in the loss of any tax exemption, deduction, or credit for that particular transaction. Upon the request of the City Treasurer, an operator shall make available for examination in the city hall the books, records, and other documentation of the operator unless said official authorizes examination to be conducted at a different location.

## **CHANGES IN ADDRESS OR OWNERSHIP**

Please notify the City Treasurer of any changes to the information provided on the registration form. This will ensure timely mailings and data integrity.

Termination of the Business - A final tax return must be filed within 15 days of closing.

Sale of Business--Successor Liability (COG Ordinance 4.14.180, 4.15.180) - The seller must file a final tax return within 15 days of the sale. The buyer can be held liable for any unpaid tax, penalty, and interest on account of the business operations of the former owner.

## **RESPONSIBILITIES OF THE MERCHANT**

It is your responsibility to comply with the laws and regulations that pertain to your business environment in which you operate. If you are still uncertain of how the tax applies in general or to specific transactions, please call or write the City Treasurer.

We appreciate your efforts in collecting and remitting tax in compliance with our ordinances. Please call or email the City of Gustavus Treasurer if you have any questions.

Forms can be found on the City of Gustavus website:

<https://cms.gustavus-ak.gov/administration/page/business-permitssales-taxreseller-certificates>

**Phone:** (907)697-2451 **Email:** [treasurer@gustavus-ak.gov](mailto:treasurer@gustavus-ak.gov)